

TROY TOWNSHIP
Policy and Criteria for Consideration
And Granting of Benefits
Within a JOBZ Enterprise Zone

The Township of Troy has received approval from the Minnesota Department of Employment and Economic Development for designation and participation in the State's JOBZ Enterprise Zone Program. The public purposes of this policy shall be to accomplish the following on behalf of Troy Township: enhance economic growth in this area, create high quality job growth in this area, and retain high quality jobs in this area.

Whenever the Township invests public funds or agrees to voluntarily forfeit tax or other revenue that benefit private development projects, those projects should create the greatest number of full time jobs that pay a living wage possible for the residents of the Township and the surrounding region. The Township policy makers and economic development agents must keep the critical need for living wage full time jobs the priority whenever public dollars are invested in a private business or development project.

Any qualified business seeking to participate in this program shall submit all of the following information:

Information about the proposed development including number of FTE jobs created and salary ranges, estimated tax benefits including the following:

- a. Exemption from individual income taxes as provided under M.S. § 469.316; and
- b. Exemption from corporate franchise taxes as provided under M.S. § 469.317; and
- c. Exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in M.S. § 297A.68 subdivision 37; and
- d. Exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under M.S. § 297B.03; and
- e. Exemption from the property tax as provided in M.S. § 272.02 subdivision 64; and
- f. Exemption from the wind energy production tax under M.S. § 272.029 subdivision 7; and
- g. The jobs credit allowed under M.S. § 469.318.

2. Enter into a Business Subsidy Agreement with the Sub-zone Administrator
3. Fill out JOBZ Survey and submit to Sub-zone Administrator to forward to the State
4. If business is relocating from another Minnesota Community, enter into a Relocation Agreement with the State.
5. Submit proper forms to the Department of Revenue to claim appropriate tax exemptions
6. Provide information to Sub-zone Administrator for completion of the Minnesota Business Assistance Form (annual business subsidy report).
7. Retain the business operation and employees within the sub zone for the duration of the JOBZ subsidy agreement.

JOBZ ELIGIBILITY REQUIREMENTS

A qualified business and/or recipient must meet all of the following requirements to be considered for JOBZ designation in the Township of Troy.

- A. Applications must illustrate the approval of the JOBZ designation will achieve a public purpose other than increasing the tax base. Examples include, but not limited to, enhancing economic diversity, creating high-quality jobs, providing job retention, stabilizing the community, etc.... In cases where the designation will be utilized for the retention of jobs the applicant shall provide evidence that the loss of jobs is imminent.

- B. A qualified business must agree to create at least one living wage job for every \$25,000 of tax benefit and exemption to be received per year. The jobs must be created within two years from the date of execution of a subsidy agreement. The new jobs are in addition to the business's base employment at the time of application, which shall also be maintained during the same period. Living wage job means a job which pays wages and health benefits that total 110% of the current poverty level for a family of four (i.e. \$10.06 for the year 2004)
- C. When JOBZ designation is to be given for job retention, the qualified business must agree to maintain its base employment, at the living wage above, for the duration of said JOBZ designation.
- D. The Township of Troy may deviate from wage and job criteria established within this Section by documenting the reason in writing for the deviation and attaching a copy of this reason with the annual Business Subsidy Report submitted to DEED.
- E. The Township shall require all businesses applying for JOBZ designation to comply with the following:
1. Attend a properly noticed public hearing shall be held by the Township of Troy when applicable.
 2. If the business is qualified to receive JOBZ tax benefits, that business shall agree to continue to operations in the jurisdiction where the subsidy is used (the subzone) for the duration of the job zone term.
 3. If the qualified business or recipient is a relocating business under the definition in this agreement, the business shall be required to enter into a binding written Relocation Agreement between the qualified business and the commissioner of DEED pledging that the qualified relocating business shall:
 - (I) Commit to signing a Relocation Agreement with DEED; and
 - (II) Cease one or more operations or functions at a non-Zone location and begin performing substantially the same functions inside the Township of Troy Sub-Zone; or reduce employment at the non-Zone location starting one year before and ending one year after beginning operations in the Zone where its employees in the Zone are engaged in the same line of business as the employees at the location where it reduced employment; and
 - (III) Increase full time employment by 20% (measured relative to the operations that were relocated) within the first full taxable year of operation within the Zone and maintains the required level of employment during each year of zone designation; or make a capital investment in the Zone equivalent to at least 10% of gross revenues for the taxable year immediately preceding relocation to the Zone.

If requirements of I, II and III are not met all tax benefits will be repaid

- F Any additional requirements established under Minnesota Statute 469.310 through 469.320.

While this stated policy and criteria set the minimum standards for participation, Troy Township will evaluate each request based upon the unique factors that result in overall economic benefits to the community. **Meeting the minimum requirements does not guarantee approval for participation!** Other impacts that Troy Township may consider in trying to determine/evaluate overall economic benefit of a specific project to the community include:

- Estimate of total job creation/job retention
- Estimate of total capital investment
- Estimated market value increase
- Potential economic multiplier (e.g. impact/opportunity to increase sales of other businesses within the community)
- Ratio of jobs created/retained: estimated subsidy provided
- Ratio of subsidy provided: private investment leverage

Whenever participation in the JOBZ program is granted Troy Township shall document the ability of the business to meet the minimum criteria and articulate other anticipated overall economic benefits to the community.

Troy Township may require that the qualified business agree to and commit to pay administrative costs for initial review and participation in the program as well as annual fees for monitoring and reporting as required by statute. The amount of these fees will be determined based upon the complexity of the project and corresponding requirements for administrative services.

Troy Township authorizes Renville County HRA/EDA Director to act as its Economic Development Agent for purposes of marketing and initiating and negotiating Business Subsidy Agreements.

The Township must provide public notice and hold a hearing for any JOBZ application that would exceed \$100,000. Notice of the public hearing must be published in a local newspaper no less than 10 days prior to the scheduled hearing date.

The Troy Township Board shall have the final determination on all applications.

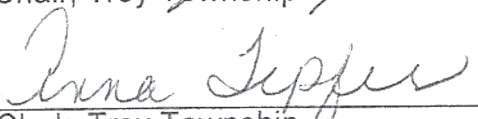
If approved for participation the business may receive benefits for the duration of the program (through December 31, 2015).

Approved JOBZ applications must enter into a subsidy agreement with the Township, as required under Minnesota Statute 116J.993 through 116J.995 and 469.310 through 469.320. A qualified business or recipient shall be required to repay all of the tax benefits received should they fail to meet the requirements established within an executed subsidy agreement.

The business shall identify an operation start date when business operations for the proposed qualified business are planned to begin in the zone.

Adopted this 18th day of March


Chair, Troy Township


Clerk, Troy Township

Resolution 2003-7
Sub-Zone Resolution of Approval to Authorize Tax Exemptions

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Whereas job creation, business development, and individual wealth growth in Troy Township, Minnesota have been less than the national and state averages; and

Whereas the resulting effects of such lagging job creation, business development, and individual wealth growth have harmed and are forecasted to continue to harm the economy of Troy Township; and

Whereas the Job Opportunity Building Zone (JOBZ) Program created in Minnesota Session Laws 2003, 1st Special Session, Chapter 21, Article 1 allows for the formation of tax free zones; and

Whereas an application for tax free zone designation in Troy Township is being prepared for submission to the Minnesota Department of Employment and Economic Development via the Southwest Regional Development Commission; therefore

BE IT RESOLVED, that Troy Township, at its meeting held on September 9, 2003, upon careful consideration and review, approves the specific areas designated in the application for tax free zones, approves of the use of tax exemptions and tax credits within the designated zones (subject to proper review and approval by the other appropriate taxing authorities within the zones), and encourages the Minnesota Department of Employment and Economic Development to approve the Tax Free Zone Application being submitted by Southwest Regional Development Commission.

BE IT FURTHER RESOLVED, that Troy Township agrees to provide all of the local tax exemptions and credits required and provided for under the Job Opportunity Building Zones (JOBZ) Legislation and agrees to forego the tax benefits resulting from the local and state tax exemptions and credits provided under the Job Opportunity Building zones (JOBZ) Legislation.

Supervisor Bob Kopel voting yes

Supervisor Joel Jansen voting yes

Supervisor Bryan Beckendorf voting yes

Adopted this 9th day of September, 2003

Attest: Karen Erickson
Karen Erickson

Robert J. Kopel
Robert J. Kopel
Town Board Chairman
Troy Township, Renville Co. Minn.